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TO : [REDACTED]

DATE: July 15, 1952

FROM : Mari

ATTN: Department of State

*Mason Warthing*

SUBJECT :

The degree of adequacy of foreign economic intelligence relating to the functional fields in which the EIC is interested varies greatly. Basic data for some fields are relatively satisfactory but meager and disorganized for others. Foreign agricultural activity, for example, has been reported upon in great volume for many years by governments, by international organizations and by trade associations; to a lesser degree minerals including petroleum and transport industries have also been reported upon and analyzed in detail. In contrast, information on manufacturing industries is inferior. Generally speaking the commodities which can be classified in more or less homogeneous categories for statistical purposes are better reported upon and analyzed than products like chemicals, machinery, electronic devices, etc. These latter commodities about which it is conceptually most difficult to generalize are just the ones that are usually reported in large but almost meaningless categories. Systematizing knowledge on these heterogeneous groups is essential but progress will be slow.

Intelligence on international trade and finance varies in quality depending somewhat on the country but largely on the subject. Trade data is relatively good although there are problems even here—for example, recorded trade movements frequently do not accurately reflect the ultimate destination or origin of the goods and there are great differences in the classification systems. Reporting on non-trade items is generally poor. In recent years there has been a marked improvement in the information on national accounts, but, except for a few countries, data on which the national accounts are based are quite unreliable. Labor and population reporting also is fairly satisfactory with greatest inadequacies in specific geographic areas, but some subjects e.g. migration, are poorly reported everywhere.

Existing intelligence materials are not as well utilized as they should be because they are frequently hard to locate; are distributed too slowly; and indexing and cataloging systems are not sufficiently comprehensive.

Although arrangements are quite good for distributing finished economic intelligence products to interested users, the problem of evaluating them and making such evaluations effective for end users is not solved. Variations in quality of intelligence products may be blamed chiefly on the fact that there are too few analysts whose capacities are too widely extended and upon certain requests who, because they do not understand research problems and techniques, insist on some kind of a report being prepared in too short a time and based on too little evidence.

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